

INSIGHTS

3.3%

September
Unemployment Rate

Volume 8: Issue 8 September 2018

S.C. Department of Employment and Workforce

Business Intelligence Department

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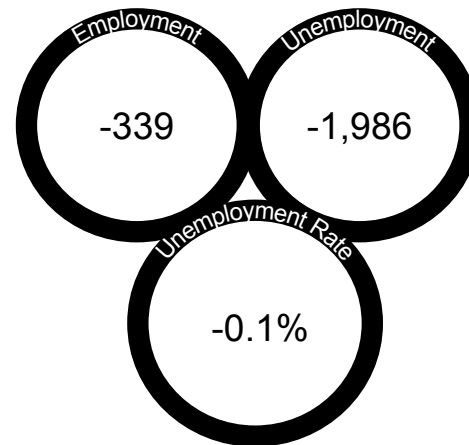
Unemployment rate declines to 3.3 percent, number of employed dips

The number of individuals working across the state declined slightly in September by 339 to a level of 2,227,423.

The level of unemployment decreased by 1,986 people to 76,772. The state's labor force fell by 2,325 in September to a level of 2,304,195, pushing the state's seasonally adjusted unemployment rate to 3.3 percent from August's estimate of 3.4 percent.

Since September of 2017, employment gains totaled 6,957, and the labor force declined by 14,040. The level of unemployed people fell by 20,997.

Nationally, the unemployment rate fell to 3.7 percent in September, down from 3.9 percent.



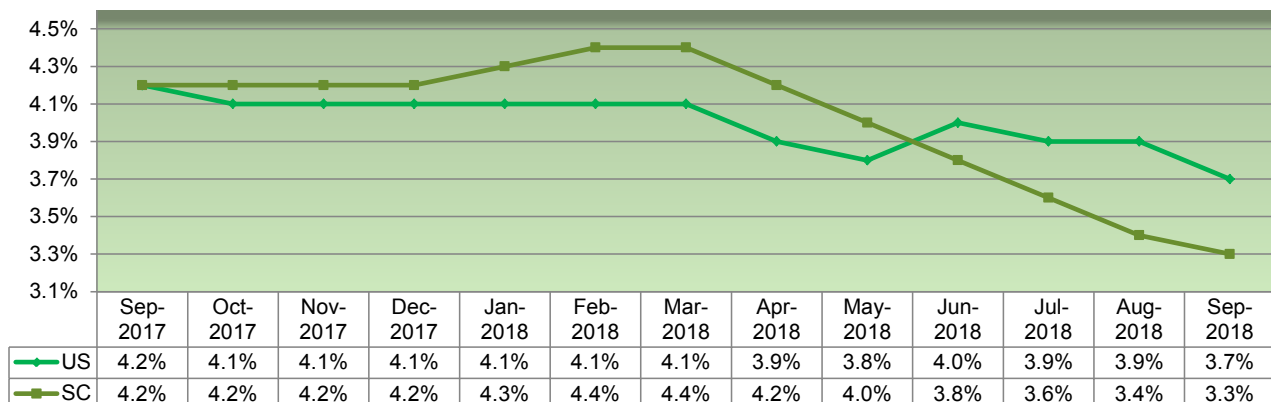
Economic Indicators

September 2018 - Seasonally Adjusted (SA)

United States S.C.

Labor Force	161,926,000	2,304,195
Employed	155,962,000	2,227,423
Unemployed	5,964,000	76,772
Unemp. Rate	3.7%	3.3%

South Carolina vs U.S. Unemployment Rate
September 2017 - September 2018



Insights is prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics. The current month's estimates are preliminary, while all previous data are subject to revision. All estimates are projected from a first quarter 2017 benchmark. To subscribe to **Insights**, please email bidcustomerservice@dew.sc.gov or to provide feedback please click on the [BID Customer Feedback Form](#).



S.C. rate sets new record low in September; S.C. rate ranked 15th lowest

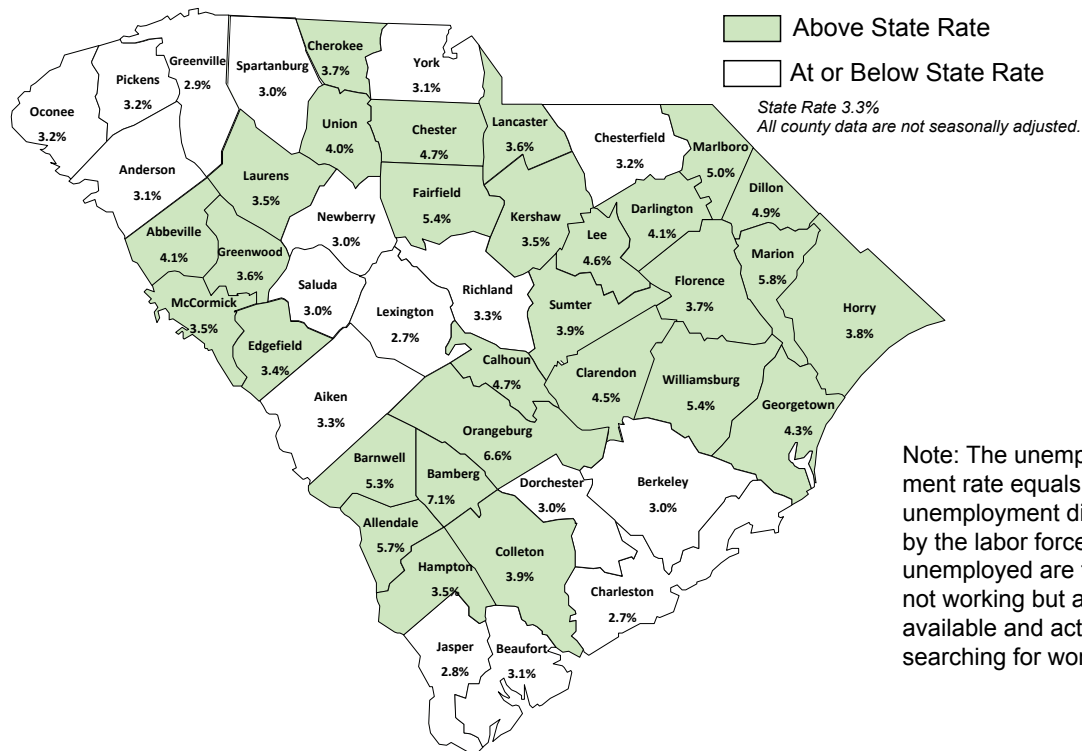
Unemployment rates were lower in September in nine states, higher in four states and stable in 37 states and the District of Columbia. Sixteen states had jobless rate decreases from a year earlier, and 34 states and the District had little or no change. The national unemployment rate declined by 0.2 percentage points from August to 3.7 percent in September. South Carolina's unemployment rate fell to 3.3 percent, ranking 15th lowest of 50 states and the District of Columbia.

Nonfarm payroll employment decreased in three states in September 2018, increased in one and was essentially unchanged in 46 states and the District of Columbia. Over the year, 37 states added nonfarm payroll jobs, and 13 states and the District were essentially unchanged. The largest job gains occurred in Florida (+407,300), Texas (+406,400) and California (+339,600). The largest percentage gain occurred in Florida (+4.8 percent), followed by Utah (+3.6 percent) and Texas (+3.3 percent).

September unemployment rates by county

Not seasonally adjusted county unemployment rate estimates were lower across the state in September as statewide employment and unemployment levels decreased over the month. Overall, county unemployment rates ranged from 7.1 percent in Bamberg County to 2.7 percent in Charleston and Lexington counties.

Over the year, York (+1,389), Richland (+974), Beaufort (+714) and Aiken (+628) counties have seen employment growth. Horry (-1,358), Spartanburg (-803) and Charleston (-518), along with 25 other counties, have marked modest declines in employment.



Note: The unemployment rate equals unemployment divided by the labor force. The unemployed are those not working but able, available and actively searching for work.

Hawaii	2.2
Iowa	2.5
Idaho	2.7
New Hampshire	2.7
North Dakota	2.7
Minnesota	2.8
Nebraska	2.8
Vermont	2.9
Virginia	2.9
South Dakota	3.0
Wisconsin	3.0
Colorado	3.1
Missouri	3.2
Utah	3.2
Kansas	3.3
Maine	3.3
<u>South Carolina</u>	<u>3.3</u>
Arkansas	3.5
Florida	3.5
Indiana	3.5
Oklahoma	3.5
Massachusetts	3.6
Montana	3.6
Tennessee	3.6
Georgia	3.7
<u>United States</u>	<u>3.7</u>
North Carolina	3.8
Oregon	3.8
Texas	3.8
Rhode Island	3.9
Delaware	4.0
Michigan	4.0
Alabama	4.1
California	4.1
Illinois	4.1
New York	4.1
Pennsylvania	4.1
Wyoming	4.1
Connecticut	4.2
Maryland	4.2
New Jersey	4.2
Washington	4.4
Kentucky	4.5
Nevada	4.5
New Mexico	4.6
Ohio	4.6
Arizona	4.7
Mississippi	4.8
Louisiana	5.0
West Virginia	5.2
District of Columbia	5.7
Alaska	6.5

September 2018

Highest County Unemployment Rates		Lowest County Unemployment Rates	
Bamberg	7.1%	Charleston	2.7%
Orangeburg	6.6%	Lexington	2.7%
Marion	5.8%	Jasper	2.8%
Allendale	5.7%	Greenville	2.9%
Fairfield	5.4%	Berkeley	3.0%

September 2018

Economic Indicators Average Hours & Earnings		
	United States (SA)	S.C. (Unadj.)
Manufacturing		
Avg. Weekly Earnings	\$1,104.46	\$813.15
Avg. Weekly Hours	40.8	41.7
Avg. Hourly Wage	\$27.07	\$19.50

South Carolina nonfarm employment trends for September - seasonally adjusted

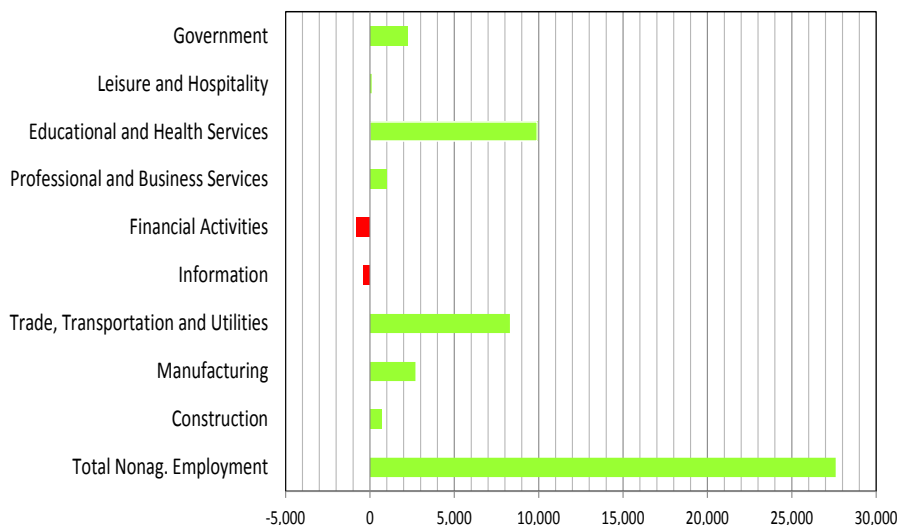
In September 2018 seasonally adjusted, nonfarm payrolls decreased by 14,500 over the month to a level of 2,113,000. The industries reporting increases during the month were Construction (+300); Education and Health Services (+200) and Manufacturing (+200). The drop in employment was primarily due to a decline in Leisure and Hospitality (-9,300); Trade, Transportation, and Utilities (-2,600); Professional and Business Services (-1,400); Government (-600); Other Services (-500); Information (-400) and Financial Activities (-200).

From September 2017 to September 2018, South Carolina's economy has added 27,600 seasonally adjusted, nonfarm jobs. Industries with noticeable gains were Education and Health Services (+9,900); Trade, Transportation, and Utilities (+8,300); Other Services (+3,500); Manufacturing (+2,700); Government (+2,200); Professional and Business Services (+1,000); Construction (+700) and Leisure and Hospitality (+100). Declines were reported in Financial Activities (-800) and Information (-200).

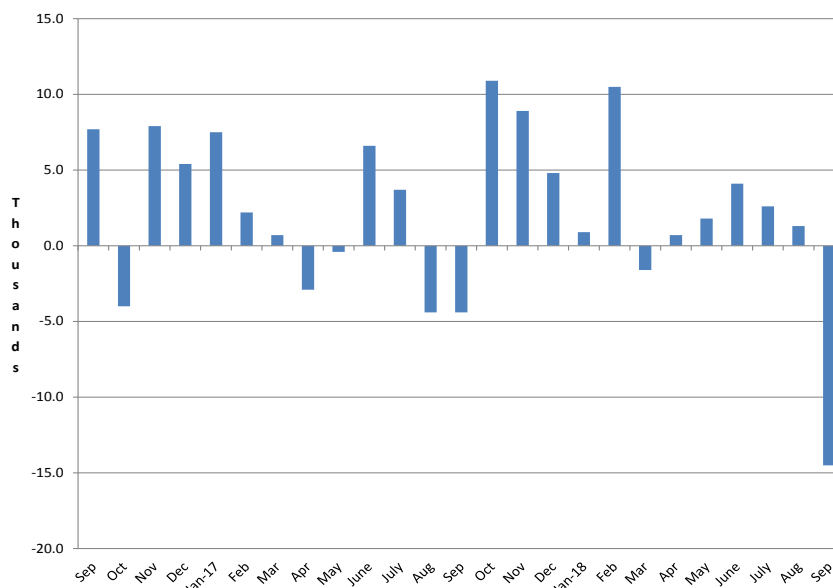
For the Metropolitan Statistical Areas, seasonally adjusted, total nonfarm payrolls' most significant job declines were in Charleston (-4,900), Myrtle Beach (-4,300) and Columbia (-1,200). The employment in Greenville (-1,100), Spartanburg (-800), Hilton Head Bluffton Beaufort (-700), Florence (-300) and Sumter (-100) also decreased.

Over the year, the Metropolitan Statistical Areas saw a surge in seasonally adjusted payroll. Notable employment gains were seen in Greenville (+6,100), Columbia (+5,600) and Hilton Head Bluffton Beaufort (+2,500). Continued growth was reported in Charleston (+1,000), Florence (+1,000), Spartanburg (+700), Sumter (+500) and Myrtle Beach (+400).

**South Carolina Job Changes by Industry
September 2017 - September 2018 (SA)**



**S.C. Total Nonfarm Monthly Job Change
2016 - 2018**



Economic Indicators (September 2018)

Top Job Growth by MSA (SA)

	Over Month % Change	Over Year % Change
Sumter MSA	-0.25%	1.28%
Greenville MSA	-0.26%	1.47%
Columbia MSA	-0.30%	1.42%
Florence MSA	-0.34%	1.14%

To see the monthly not seasonally adjusted data series, go to

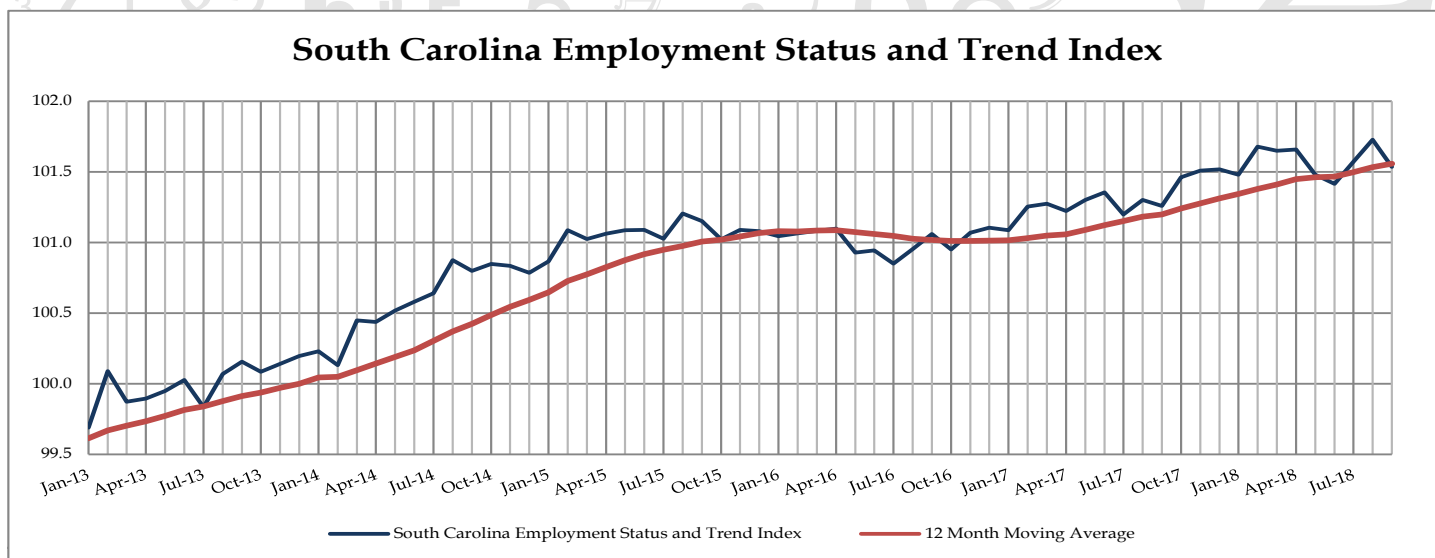
www.SCWorkforceInfo.com

(Employment and Wage Data section)

Employment changes by county
September 2018 through July 2018

County	Employment			Net Change From	
	Sep 2018	Aug 2018	Jul 2018	Aug '18 - Sep '18	Jul '18 - Aug '18
Abbeville	9,589	9,510	9,596	79	-86
Aiken	72,057	71,641	72,822	416	-1,181
Allendale	2,548	2,562	2,600	-14	-38
Anderson	86,372	85,990	86,482	382	-492
Bamberg	4,776	4,780	4,842	-4	-62
Barnwell	7,610	7,580	7,675	30	-95
Beaufort	71,249	73,460	74,960	-2,211	-1,500
Berkeley	94,744	95,536	96,802	-792	-1,266
Calhoun	6,468	6,488	6,573	-20	-85
Charleston	197,573	199,280	201,963	-1,707	-2,683
Cherokee	23,099	22,912	23,128	187	-216
Chester	13,016	12,979	12,983	37	-4
Chesterfield	20,674	20,628	20,837	46	-209
Clarendon	11,652	11,673	11,828	-21	-155
Colleton	16,094	16,095	16,289	-1	-194
Darlington	28,192	28,155	28,591	37	-436
Dillon	11,862	11,884	12,051	-22	-167
Dorchester	71,425	72,041	73,002	-616	-961
Edgefield	10,125	10,116	10,298	9	-182
Fairfield	9,286	9,298	9,413	-12	-115
Florence	62,314	62,037	62,931	277	-894
Georgetown	24,210	24,473	24,855	-263	-382
Greenville	239,513	238,355	239,680	1,158	-1,325
Greenwood	29,328	29,134	29,413	194	-279
Hampton	7,850	7,981	8,120	-131	-139
Horry	136,452	143,960	147,928	-7,508	-3,968
Jasper	11,741	12,101	12,350	-360	-249
Kershaw	27,760	27,787	28,124	-27	-337
Lancaster	37,992	37,862	37,867	130	-5
Laurens	28,940	28,850	29,030	90	-180
Lee	6,007	6,018	6,102	-11	-84
Lexington	142,361	142,307	143,961	54	-1,654
McCormick	3,226	3,204	3,241	22	-37
Marion	11,619	11,723	11,911	-104	-188
Marlboro	8,702	8,657	8,749	45	-92
Newberry	17,614	17,676	17,916	-62	-240
Oconee	32,919	32,770	33,090	149	-320
Orangeburg	32,525	32,429	32,800	96	-371
Pickens	54,514	54,251	54,556	263	-305
Richland	191,620	191,183	193,264	437	-2,081
Saluda	8,412	8,540	8,687	-128	-147
Spartanburg	141,261	140,426	141,660	835	-1,234
Sumter	41,754	41,728	42,255	26	-527
Union	11,189	11,126	11,224	63	-98
Williamsburg	11,664	11,632	11,775	32	-143
York	130,558	129,939	129,893	619	46

S.C. Employment Status and Trend Index falls sharply in September



“...SCESTI indicates a more uncertain direction for employment change over the next several months.”

S.C. Employment Status and Trend Index (SCESTI), an aggregate of five labor-market indicators, fell by 19 points in September 2018 to a level of 101.54 from its August revised value of 101.73. The Index declined below its 12-month moving average, which ticked up to 101.56 for the month from a revised value of 101.53 in August.

Two of the five underlying labor-market components moved in a positive direction in September. The Conference Board’s Consumer Confidence Index rose by 3.7 points from August’s revised value of 134.7 to 138.4 in September. The Conference Board’s Help Wanted Online® data, which tracks the number of available job openings posted online, increased by 92 ads in September to 59,104 from 59,012 in August. The Conference Board’s Employment Trends Index fell in September to 110.77 points from an August revised value of 111.18. Initial claims for Unemployment Insurance rose from an August average of 2,005 per week to a September average of 3,027 per week. The Bureau of Labor Statistic’s S.C. Weekly Manufacturing Hours data showed production hours dipping to a preliminary 41.7 hours per week in September over its revised August level of 43.0.

SCESTI is ahead of its year-ago figure of 101.26 in September of 2017. With the Index falling below its 12-month moving average, SCESTI indicates a more uncertain direction for employment change over the next several months.

S.C. Online Job
Advertisements

S.C. Avg. Weekly
Manufacturing
Hours

U.S. Consumer
Confidence Index

U.S.
Employment
Trends Index

S.C. Initial Claims/
Unemployment
Insurance

Down and down we go: the falling U.S. labor force participation rate

“The labor force participation rate has been falling in this country for nearly two decades.” So begins Michael Dotsey, Shigeru Fujita, and Leena Rudanko’s article, “Where is everybody? The shrinking labor force participation rate” (Federal Reserve Bank of Philadelphia Economic Insights, fourth quarter 2017). A falling participation rate, the authors say, means that more people are unable or unwilling to work at the prevailing wage rate. And the effect is threefold: (1) slower economic growth (because fewer people are working), (2) a rising dependency ratio (fewer workers to support those who are not working), and (3) higher tax rates (because the tax base from which the government draws revenue is smaller). Because of these effects, it is important to understand what has been causing the labor force participation rate to fall and whether it will continue to fall. The authors track a rising participation rate from about 60 percent in the 1950s and 1960s to a peak of 67 percent at the turn of the 21st century, after which it has been falling consistently, to a low of about 63 percent today. They cite secular (as opposed to cyclical) forces as the main reason for the decline—primarily, the start of retirement for the baby-boom generation. This cohort has exerted a profound influence on the U.S. economy as it has passed through the age distribution. Born during the years 1946 to 1964, baby boomers have “consistently represented the largest fraction of the population,” and their influence is still being felt as they retire, depressing the labor force participation rate.

But other forces are at work as well, chief among them a decline in the participation of prime-age workers, especially men. Specifically, the labor force participation of men 25 to 54 years old has fallen steadily, from 98 percent in 1954 to 88 percent today. Although part of this decline is due to men’s participation less and less as they age, the key factor is generational: “More recent generations of men are participating less than their predecessors did,” say the authors...But why are these later generations of men participating less? The answer is complicated, but one clear factor is the increasing wage gap between high- and low-skilled workers. For example, in 1973, men with a high school education earned 72 percent of the wages of men with a college degree; by 2016, the percentage was down to 51 percent. Clearly, the demand for high-school-educated men had fallen considerably, likely diminishing their participation in the labor force.

Given that the main cause of the falling labor force participation rate is the retirement of the baby boomers, the answer to the question of whether labor force participation will continue to fall depends largely on how long the baby boomers’ rate of retirement will continue to increase. The authors project that, by 2019, the boomers’ retirement rate will have increased by 1.1 percentage points over the 2016 rate, resulting in a corresponding 1.1-percentage-point decrease in the labor force participation rate. Then, the authors expect retirements to keep rising through the 2020s, so that, by the later years of that decade, the participation rate will have declined by approximately 4 percentage points over the 2016 rate. In short, the labor force participation rate of the late 2020s is projected to be about 59 percent, a rate not seen since the 1950s and 1960s, before women began to enter the labor force in increasing numbers.

Source: [*The Bureau of Labor Statistics Monthly Labor Review October 2018*](#)